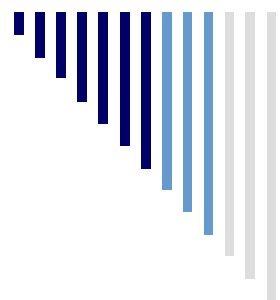


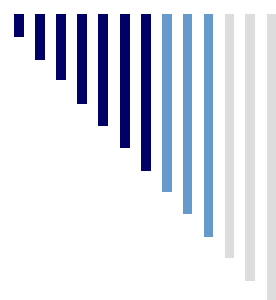
Award of \$35,647,000 Bond

**Board of Selectmen
November 5, 2012**



Rationale for Bond Issue

- Rate opportunities existed that reduce the interests cost paid by taxpayers for the high school construction project
 - Rate of 2.50% available rather than projected 4.85%
 - Enough debt maturing in FY14 that addition of this issue should not increase debt service budget over FY13 level for General Fund exclusive of MHS construction
-



Projects

General Fund:	AUTHORIZATION	BOND
Governor Winslow School Modernization	Art 20, ATM 04/2008	63,000
K-5 Mathematics Textbooks	Art 4, ATM 04/2011	\$307,000
High School Feasibility & Design	Art 2, STM 04/2011	\$1,118,000
Road Reconstruction	Art 4, ATM 04/2011	\$250,000
New High School	Art 1, STM 11/2011	\$30,000,000
Protective Fire Equipment	Art 3, ATM 04/2012	\$35,000
Police Communications Tower	Art 3, ATM 04/2012	\$300,000
DPW Bucket Truck	Art 3, ATM 04/2012	\$140,000
Seawalls & Riprap incl Hurricane Study	Art 3, ATM 04/2012	\$250,000
Replace DPW PU Trucks #31 & 68	Art 3, ATM 04/2012	\$80,000
Replace Fire Car-1	Art 3, ATM 04/2012	\$39,000
Massasoit Fire Stn Repl Plans & Bid Docs	Art 8, STM 04/2012	\$100,000
Total General Fund		<u>\$32,682,000</u>
Water Enterprise Fund:		
Pine St Water Main Replacement	Art 4, ATM 4/2009	80,000
Highland St Water Main Replacement	Art 3, ATM 04/2010	135,000
Pudding Hill Tank Construction	Art 4, ATM 04/2011	1,500,000
Farigrounds Pump Stn & Well	Art 3, ATM 04/2012	250,000
South River St Water Main	Art 3, ATM 04/2012	1,000,000
Total Water Enterprise Fund		<u>\$2,965,000</u>
Total All Funds		<u>\$35,647,000</u>



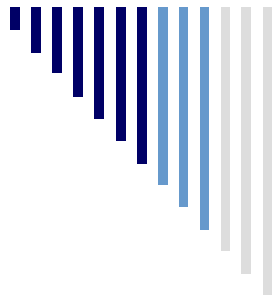
Remaining General Fund Borrowing Authorizations

<u>PURPOSE</u>	<u>AUTHORIZATION</u>	<u>BALANCE 6/30/2013</u>	<u>ISSUABLE BALANCE 6/30/2013</u>
High School Feasibility & Design	Art 2, STM 04/2011	1,402,000	0
Construction Harbormaster Building	Art 4, ATM 04/2011	1,400,000	350,000
Airport Safety Imp/Bass Creek	Art 12, STM 10/2011	200,000	200,000
New High School	Art 1, STM 11/2011	71,438,839	23,600,000
Breathing Apparatus (Fire)	Art 3, ATM 04/2012	66,000	66,000
Police Communications Tower	Art 3, ATM 04/2012	103,000	103,000
Dribeek Way Bridge Repairs	Art 3, ATM 04/2012	140,000	140,000
Seawalls & Riprap incl Hurricane Study	Art 3, ATM 04/2012	250,000	250,000
Replace DPW PU Trucks #31 & 68	Art 3, ATM 04/2012	10,000	0
Microsoft Office 2010 Upgrade	Art 3, ATM 04/2012	45,000	45,000
Workstation & Laptop Replmnt	Art 3, ATM 04/2012	29,000	29,000
South River Dredging	Art 3, ATM 04/2012	200,000	200,000
Harbor Plan	Art 3, ATM 04/2012	26,000	26,000
Facility Assessment	Art 3, ATM 04/2012	182,000	182,000
Master Plan	Art 17, ATM 04/2012	113,000	113,000
Septic Loan Program	Art 20, ATM 04/2012	200,000	200,000
Plow with sander	Art 6, STM 10/2012	45,000	45,000
Massasoit Fire Stn Repl	Art 10, STM 10/2012	3,500,000	3,500,000

Total General Fund

\$79,349,839

\$29,049,000



Bids Received

- ☒ Janney Montgomery Scott, LLC – 2.432606%
 - ☐ Bank of America Merrill Lynch – 2.449010%
 - ☐ USB Financial Services, Inc. – 2.476183%
 - ☐ Hutchison, Shockey, Erley & Co. – 2.490252%
 - ☐ Raymond James & Associates, Inc. – 2.506798%
 - ☐ Robert W. Baird & Co., Inc. – 2.616178%
-



Historical Bond Issue Rates

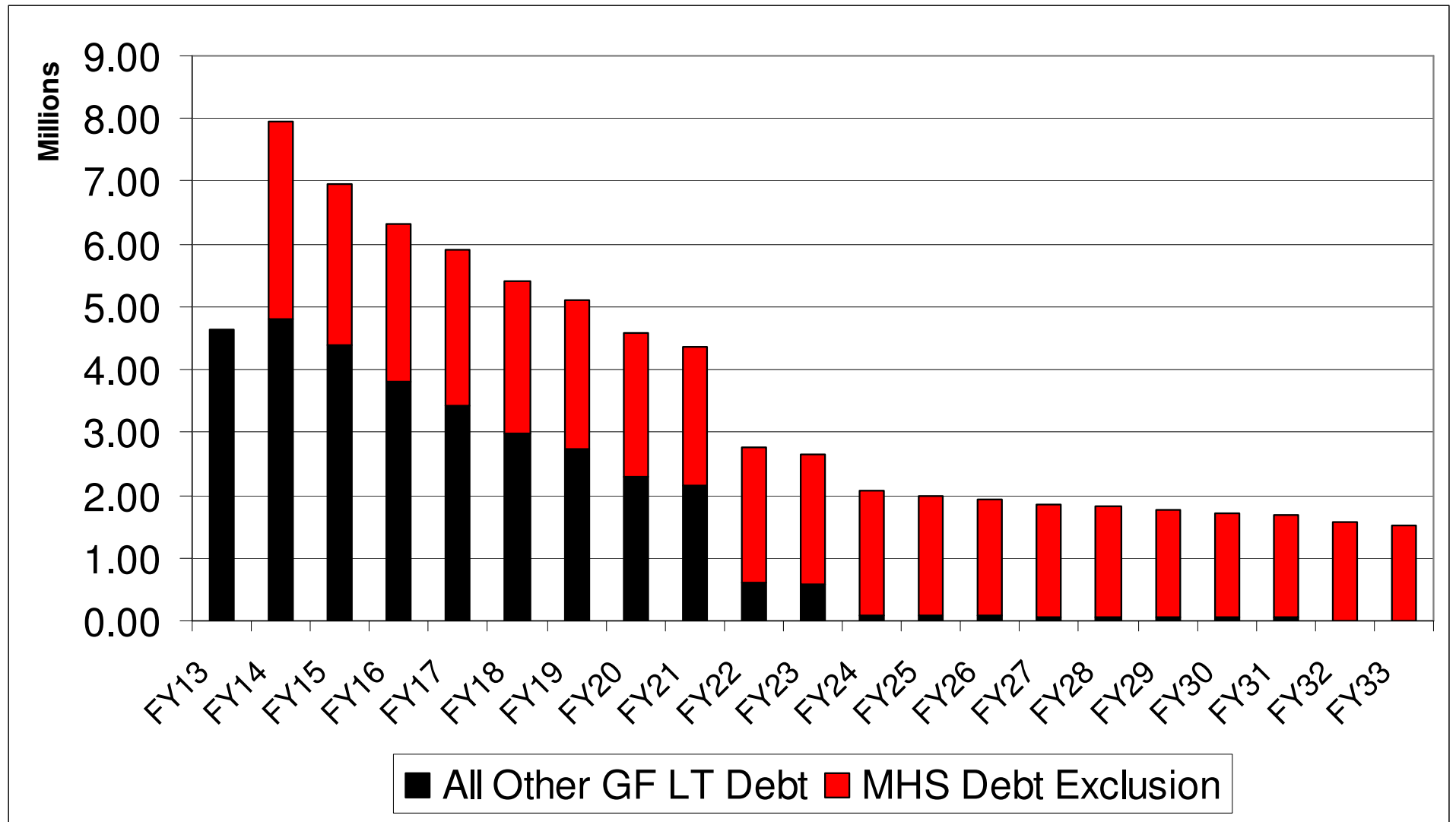
Year	Amount	Rate	Term
2001	\$ 29,162,000	4.6072%/2.566%	20 years
2003	\$ 9,424,000	2.350%	10 years
2004	\$ 1,380,000	1.930%	5 years
2005	\$ 4,221,000	3.320%	10 years
2007	\$ 4,980,000	3.700%	10 years
2009	\$ 4,196,000	2.078%	10 years
2010 (Feb)	\$ 965,000	1.279%	5 years
2010 (Oct)	\$ 3,481,000	1.688%	10 years
2011 (Feb)	\$ 4,025,000	3.037%	15 years
2011 (Nov)	\$ 2,557,000	1.436%	7 years
2012 (Jul)	\$ 5,000,000	0.000%	10 years
2012 (Nov)	\$ 35,647,000	2.433%	20 years

\$ 105,038,000

General Fund Principal & Interest – FY 2013-2033

Does Not Include \$1,112,854 FB/Mart Reimbursement

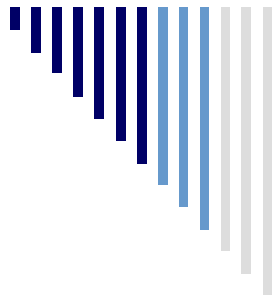
Does Include ESCO Energy Savings and Interest Subsidy





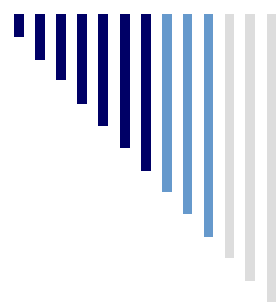
Effect of Premium

- ☐ Used by bidders to lower net interest cost
 - ☐ Cash payment upfront to issuers
 - ☐ Premium of \$4,015,740.28
 - Approx. amount to debt exclusion \$3.27M
 - ☐ DOR regulations regulate application of premium to future debt service payments to ensure lower rate
-



Impact on Current Year Taxes

- Bond has NO impact on the Feb 2012 or May 2012 tax bills
 - BAN (ST note) does have an impact
 - Projected at less than \$5 for the year
 - Actual will be less than \$1 for the year
-



Impact on Future Year Taxes

- Bond will be reflected in August 2013 tax bill through May 2033 tax bill.
- First year is the worst year
- Impact affected by DOR treatment of premium
 - Prorated premium - Year 1 = \$243, Year 2 = \$205
 - Use of other premium Year 1 = \$12 additional savings
- Impact will be spread evenly between the four quarters